



Gorham Telephone Company

Received & Inspected

JUL - 1 2016

FCC Mailroom

785-637-5300

Fax 785-637-5590

REDACTED - FOR PUBLIC INSPECTION

June 30, 2016

DOCKET FILE COPY ORIGINAL

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 14-58, 47 CFR § 54.313 Annual Reporting Requirements for High-Cost Recipients (Form 481)

Dear Ms. Dortch:

Attached please find Gorham Telephone Company's high-cost support recipient annual report pursuant to 47 CFR § 54.313 (Form 481).

Gorham Telephone Company is filing certain financial information, reported pursuant to 47 CFR § 54.313(f)(2), as confidential under the March 22, 2016 Protective Order (DA 16-296). Pursuant to that Order, each page of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version of this information has been marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." As such, Gorham Telephone Company requests that the non-redacted version of its submission be withheld from public inspection.

Gorham Telephone Company is also requesting confidential treatment of certain information being filed pursuant to 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1) (five year service quality improvement plan) under 47 CFR § 0.457 and 0.459. The redacted version of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version has been marked "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION."

Pursuant to 47 CFR § 0.459, Gorham Telephone Company offers the following in support of its request for confidential treatment of certain information.

- *Identification of the specific information for which confidential treatment is sought:* Gorham Telephone Company seeks confidential treatment of the five year service quality improvement plan required per 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1),
- *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:* Gorham Telephone Company is providing the five year service quality improvement plan as part of its annual high-cost support recipient report per 47 CFR § 54.313.
- *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:* Gorham Telephone Company considers the information to be highly sensitive in that it contains statements about the Company's future investment plans, and discusses specific equipment and strategies the Company will utilize to provide services.

PO Box 235

100 Market St.

Gorham Ks

67640-0235

www.gorhamtel.com

No. of Copies rec'd
List ABCDE

0

REDACTED - FOR PUBLIC INSPECTION

Marlene H. Dortch
Federal Communications Commission

June 30, 2016
Page 2

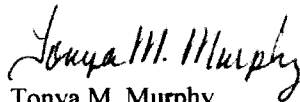
- *Explanation of the degree to which the information concerns a service that is subject to competition:* Gorham Telephone Company provides voice and broadband services that are in competition with various landline and wireless providers; thus, the investment data disclosed is related to services subject to competition to a high degree.
- *Identification of any measures taken by the submitting party to prevent unauthorized disclosure:* Gorham Telephone Company makes the data being provided available only to employees, consultants, and attorneys on a limited, need-to-know basis.
- *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:* The information is not publicly available.
- *Justification of the period during which the submitting party asserts that material should not be available for public disclosure:* Gorham Telephone Company requests that the data provided be treated as confidential indefinitely. Due to the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
- *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidential treatment should be granted:* None.

Accordingly, Gorham Telephone Company requests confidential treatment of the five year service quality improvement plan pursuant to section 0.457 and 0.459 of the Commission's rules.

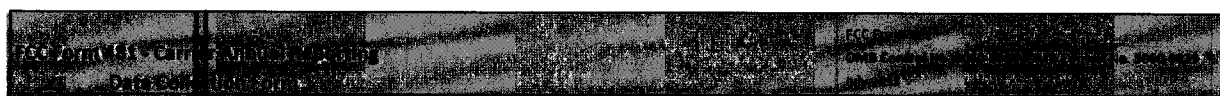
The redacted version of this Form 481 submission will be filed via the Commission's Electronic Comment Filing System (ECFS) in the above-captioned docket.

If you have any questions about this filing, please contact the undersigned.

Sincerely,


Tonya M. Murphy
Secr/Treas.

Attachment



<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Tonya Murphy
<035>	Contact Telephone Number: Number of the person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	tmurphy@gorhamtel.com
Form Type		54.313 and 54.422

Received & Inspected

JUL - 1 2016

FCC Mallroom

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@corhamtel.com



(yes / no)



(yes / no)

<110> Has your company received its ETC certification from the FCC?
If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

411778ks112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Yes

**(200) Service Outage Reporting (Voice)
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contract Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<210> For the prior calendar year, were there any reportable voice service outages?

[illegible]

(300) Unfulfilled Service Request
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	411778
<015> Study Area Name	GORHAM TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035> Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<300> Unfulfilled service request (voice)	0
---	---

<310> Detail on attempts (voice)	Name of Attached Document
----------------------------------	---------------------------

<320> Unfulfilled service request (broadband)	0
---	---

<330> Detail on attempts (broadband)	Name of Attached Document
--------------------------------------	---------------------------

(400) Number of Complaints per 1,000 customers
Data Collection Form

PCE Form 481
OMB Control No. 3060-0886/OMB Control No. 3060-0815
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. <div>Offered both fixed and mobile voice</div>	
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	0.0
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. <div>Offered both fixed and mobile broadband</div>	
<440>	Complaints per 1000 customers for fixed broadband	1.0
<450>	Complaints per 1000 customers for mobile broadband	0.0

(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form

FCC Form 481
OMB Control No. 3060-0886/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375100 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		411778ke510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

(600) Functionality in Emergency Situations Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0619 July 2013
---	--

<010> Study Area Code	411778
<015> Study Area Name	GOBEAM TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035> Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tmurphy@goshantel.com
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	411778ks610.pdf

**(700) Price Offerings Including Voice Rate Data
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0286/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

1/1/2016

	Residential Local Service Charge Effective Date	Single State-wide Residential Local Service Charge
<701>		
<702>		

[illegible]

[illegible]

411778

GORHAM TEL CO

2017

Tonya Murphy

856375300 ext.

murphy@qorhamtee

<711>

[illegible]

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com
<810>	Reporting Carrier	Gorham Telephone Company
<811>	Holding Company	Gorham Communications, Inc.
<812>	Operating Company	Gorham Telephone Company

[illegible]

2009 Tribal Lands Reporting
Data Collection Form

PCC Form 4031
Chloroform (CAS# 67-66-3) / Chloroform (CAS# 67-66-3)
Rev. 2005

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856376300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<900> Does the filing entity offer tribal land services? (Y/N)

No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

(1300) No Terrestrial Backhaul Reporting Data Collection Form

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<1100>

Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130>

Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
 Data Collection Form
 FCC Form 485
 OMB Control No. 3060-0066/OMB Control No. 3060-0069
 July 2013

<010> Study Area Code 411778
 <015> Study Area Name GORHAM TEL CO
 <020> Program Year 2017
 <030> Contact Name - Person USAC should contact regarding this data Tonya Murphy
 <035> Contact Telephone Number - Number of person identified in data line <030> 7856375300 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> tmurphy@gorhamtel.com

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website HTTP <http://gorhamtel.com/lifeline-program/>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒



Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

Name of Attached Document Listing
Required Information

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)



<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Yes - Attach Certification	
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	411778ks3010.pdf
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	2016-411778ks3017.pdf
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	



<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@coriantcal.com

Financial Data Summary

(3027) Revenue	2246908
(3028) Operating Expenses	1658093
(3029) Net Income	402611
(3030) Telephone Plant In Service(TPIS)	8376885
(3031) Total Assets	4455948
(3032) Total Debt	2919354
(3033) Total Equity	1393497
(3034) Dividends	49224



<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7656175308 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

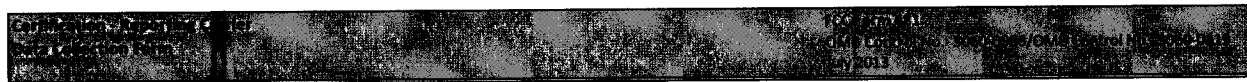
If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.



<010> Study Area Code	411778
<015> Study Area Name	GORHAM TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035> Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer: ext.	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<010> Study Area Code	411778
<015> Study Area Name	GORHAM TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035> Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Alexicon, Inc.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Alexicon, Inc.
Name of Reporting Carrier:	GORHAM TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/29/2016
Printed name of Authorized Officer:	Tonya Murphy
Title or position of Authorized Officer:	Secr/Treas.
Telephone number of Authorized Officer:	7856375300 ext.
Study Area Code of Reporting Carrier:	411778 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	GORHAM TEL CO
Name of Authorized Agent Firm:	Alexicon, Inc.
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/29/2016
Name of Authorized Agent Employee:	Malcolm Hardage
Title or position of Authorized Agent or Employee of Agent	Consultant
Telephone number of Authorized Agent or Employee of Agent:	9183769901 ext.
Study Area Code of Reporting Carrier:	411778 Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(All Prices include VAT including VAT rate 20%)
 Price Collected in Cash

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM, TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

	Residential Local Service Charge Effective Date	Single State-wide Residential Local Service Charge
<701>		
<702>		

[illegible]

**Broadband and
Mobile Collection Tools**

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

[illegible]

I. DISCUSSION

Gorham Telephone Company (Company), an ETC designated by Kansas Corporation Commission /FCC, hereby submits this five year service quality improvement plan progress report (*Progress Report*) as required by 47 CFR § 54.313(a)(1). The Company is an incumbent carrier with service area(s) in the state(s) of Kansas, with 409 access lines in four exchanges as of 12/31/2015. The Company is a rate-of-return (RoR) regulated carrier.

The *Progress Report* reflected herein represents the Company's ongoing efforts to expand high quality, reasonably-priced broadband services throughout its service area. The Company generated and filed in 2014 a five-year plan in compliance with the Commission's rules, although the out years in the plan (years 3-5) are speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission's USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry which makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The *Progress Report* presented herein by necessity includes expenditures not specifically identified as "improvements or upgrades" of the Company's network, such as amounts for the maintenance and upkeep of existing telecommunications plant and associated operating expenses. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

II. Five Year Plan Update

The Company has no updates to the five year service quality improvement plan it filed in 2014.

III. Progress Report

A. Maps

Section 54.313(a)(1) requires that all recipients of high cost support are to provide maps depicting the progress made during the current reporting period. The Company is providing a map showing progress in regards to its five year service quality plan through June 30, 2016, and is provided at the wire center or census block level, as applicable.

B. Universal Service Support Received

Section 54.313(a)(1) requires that all recipients of high-cost support provide an explanation of how much universal service support was received during the reporting period. For this year's Progress Report, the amount of universal service support received will be for the 6 months ended June 30, 2016. The Company received the following universal service support amounts during the period January 1, 2016 through June 30, 2016:

Gorham Telephone Company
Five Year Service Quality Improvement Plan Progress Report
For the 2016 Reporting Year
Per 47 CFR § 54.313(a)(1)

Description	Amount Received	
	Jan	Jun 2016
High Cost Line Support		\$193,038
Safety Valve Support		0
Safety Net / Idling Support		0
Interstate / Common Line Support		265,668
CAP-ICC Support		60,972
Total		\$519,678

Of the total amount of support received shown above, the Company estimates that approximately 40% was used for capital expenditures and 60% was used for operating expenditures.

C. How Universal Service Support Was Used

Section 54.313(a)(1) also requires all recipients of high-cost support to provide an explanation of how the universal service support received was used to improve service quality, coverage, or capacity. The universal service support received by the Company is either based on (1) actual overall revenue requirements, as determined by associated FCC rules, or (2) the replacement of certain interstate and intrastate access revenues. This support is added to the Company's general funds and the expenditure of such support is not separately tracked, nor is it practical to do so.

Overall, any support expended pursuant to the investment and operating expense budgets presented in the Company's five year service quality improvement plan will be used to increase coverage and capacity, via additional investment in voice and broadband-capable infrastructure, and improve service quality, via expenditures for continued operations and maintenance. By the very nature of the FCC rules that give rise to the universal service support received, the Company clearly expends such funding to support its fiber-to-the-home network and thus serves to provide and improve broadband and voice coverage, capacity and service quality. Therefore, due to the reimbursement nature of the HCLS and ICLS mechanisms, all support received was already expended to increase coverage, capacity and service quality improvement through qualifying capital investments and the qualifying operating expenses that support them.

D. Network Improvement Targets

Section 54.313(a)(1) requires all recipients of high cost support to provide an explanation of any network improvement targets that have not been fulfilled in the prior calendar year. The Company met all of its network improvement targets during 2015

IV. Considerations

The investment and service quality improvement plan and progress report discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

- *Speed* - at least 10 mbps upstream and 1 mbps downstream in regards to requests for service beginning in 2015. This reflects the Commission's recent decision to increase the standard broadband speed from 4 mbps /1 mbps.
- *Latency* - 100mS or less, sufficient for real-time applications

Gorham Telephone Company
Five Year Service Quality Improvement Plan Progress Report
For the 2016 Reporting Year
Per 47 CFR § 54.313(a)(1)

- *Capacity* – The Company currently provides unlimited usage to its broadband service customers.
- As an RoR-regulated carrier, the Company is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 10 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan and Progress Report reflected herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by Kansas Corporation Commission.
- The Company will provide high speed internet and telephone service to all areas within its franchised area.

Gorham Telephone Company (SAC 411778)

Statement Regarding Compliance with Service Quality Standards and Consumer Protection Rules

47 CFR § 54.313(a)(5)

Form 481, Line 510

Gorham Telephone Company (GTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, GTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

GTC is subject to the service quality standards and consumer protection standards adopted by the KCC and that are applicable to ILECs in the state of Kansas. These standards are contained in Orders adopted by the KCC in Docket No. 95-GIMT-047-GIT (specifically the KCC Order dated May 23, 2008) and Docket No. 06-GIMT-187-GIT. The consumer protection standards are also contained in GTC's local tariff that is on file with the KCC.

Apart from effective internal procedures and operations, GTC ensures compliance with all applicable service quality and consumer protection rules through KCC enforcement, which entails the operation of an effective customer complaint process. KCC is required to respond to customer complaints and other service quality-related inquiries from the KCC in a reasonable time frame. GTC consistently meets or exceeds all KCC-adopted standards, and reports to this effect via all required KCC processes.

Finally, GTC has established internal procedures to ensure compliance with the Federal Communications Commission's Customer Proprietary Network Information (CPNI) rules that include, but are not limited to, periodic employee training and maintenance of written company CPNI procedures. GTC certifies its compliance with the Commission's CPNI rules by making annual filings as required in 47 CFR § 64.2009(e).

Gorham Telephone Company (SAC 411778)

Statement Regarding the Ability to Function in Emergency Situations

47 CFR § 54.313(a)(6)

Form 481, Line 610

Gorham Telephone Company (GTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, GTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

GTC is subject to KCC rules regarding the ability to remain functional in emergency situations by (1) maintaining at least eight hours of backup power to ensure functionality without local alternating current (AC) commercial power, (2) establishing the ability to reroute traffic around damaged facilities and to manage traffic spikes resulting from emergency situations, and (3) establishing procedures for employees to follow in an emergency to prevent or minimize interruption or impairment of telecommunications services.

GTC has stationary generators at each exchange central office (4 total) and also 8 portable generators to be deployed if necessary for GTC's services. GTC's network is capable of rerouting traffic around damaged facilities, although this ability is not absolute and may be limited in certain circumstances. However, GTC follows all industry standard practices in ensuring its network remains functional during different types of emergency situations.

Gorham Telephone Company (SAC 411778)

Statement Regarding Voice Rate Comparability

47 C.F.R. § 54.313(a)(10)

Form 481, Line 1010

Gorham Telephone Company is a rural, rate of return regulated incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, Gorham Telephone Company is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

Gorham Telephone Company hereby certifies that the pricing of its voice services is no more than two standard deviations above the national average urban rate for voice service, \$41.07, as specified in the April 5, 2016 Public Notice issued by the Wireline Competition Bureau of the Federal Communications Commission.

Gorham Telephone Company's residential voice service rates, including state fees and the federal subscriber line charge (SLC) are as follows.

Monthly rate for Gorham exchange is \$25.16.

Monthly rate for Waldo exchange is \$25.16.

Monthly rate for Luray exchange is \$25.96.

Monthly rate for Paradise exchange is \$25.96.

Average monthly rate is \$25.56.

Gorham Telephone Company (SAC 411778)
Statement Regarding Broadband Rate Comparability
47 CFR § 54.313(a)(12)
2016 FCC Form 481, Line 1030

Gorham Telephone Company (Gorham) states the following as to the requirements contained in 47 CFR § 54.313(a)(12) regarding the reasonable comparability of residential broadband rates. This rule requires that eligible telecommunications carriers (ETCs) provide *“a certification that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.”*

Gorham notes that this rule, adopted in the FCC's December 18, 2014 Report and Order in WC Docket Nos. 10-90, 14-58, and 14-192 (FCC 14-190) is effective for the first time with the 2016 Form 481 ETC Annual Report. Furthermore, the Wireline Competition Bureau issued a Public Notice (DA 16-362, rel. April 5, 2016) that contains, *inter alia*, the process for determining the applicable reasonably comparable benchmark rates. ETCs are to certify on line 1020 of the 2016 Form 481 that one broadband service offering that satisfies all of the Commission's requirements, including that the service be offered throughout the high-cost support recipient's supported area or made available upon request be priced at or below the relevant benchmark.

While Gorham offers, or will offer upon reasonable request, fixed wireline retail residential broadband internet access service meeting the Commission's requirements (10/1 mbps, 150 gb of monthly capacity), it does not and cannot do so at rates at or below the relevant benchmarks. Gorham's retail rate for residential 15/3 unlimited broadband internet access service (Gorham does not offer 10/1 mbps service) is \$99.99 per month, while the benchmark rate according to the 2016 Public Notice and the online reasonable comparability benchmark calculator is \$78.66. In addition, Gorham has considered the *“non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories”* in Kansas. Gorham's rate is higher due to many factors, including the high cost, remote areas that it serves, the relatively high middle mile costs necessary to connect Gorham's customers to the Internet, and the sparse population in its rural Kansas serving area.

Gorham also notes that, as an ILEC ETC, it does not provide retail Internet access services of any kind directly to end user customers; rather, Gorham provides wholesale service to its Internet Service Provider (ISP) affiliate, which then adds services to the broadband “pipe” Gorham provides in order to provide broadband Internet access service to individual residential customers. Thus, Gorham, as the ILEC, does not control the costs incurred by the ISP or the prices charged to the end user.

Gorham Telephone Company (SAC 411778)

Progress Report on 5 Year Plan – Milestone Certification

47 C.F.R. § 54.313(f)(1)(i)

Form 481, Line 3010

Gorham Telephone Company hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 10 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Gorham Telephone Company (Prepared with Audited Data)	
INSTRUCTIONS- Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2015	BORROWER DESIGNATION KS0562
CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report </div> </div>			
Michael Murphy		3/9/2016 DATE	
PART A. BALANCE SHEET			
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY
CURRENT ASSETS			CURRENT LIABILITIES
1. Cash and Equivalents	295,569	338,212	25. Accounts Payable
2. Cash-RUS Construction Fund	9	9	26. Notes Payable
3. Affiliates:			27. Advance Billings and Payments
a. Telecom, Accounts Receivable			28. Customer Deposits
b. Other Accounts Receivable	3,148	3,067	29. Current Mat. L/T Debt
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.
4. Non-Affiliates:			31. Current Mat.-Capital Leases
a. Telecom, Accounts Receivable	54,379	54,631	32. Income Taxes Accrued
b. Other Accounts Receivable	142,756	148,295	33. Other Taxes Accrued
c. Notes Receivable			34. Other Current Liabilities
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)
6. Material-Regulated	93,413	91,238	LONG-TERM DEBT
7. Material-Nonregulated			36. Funded Debt-RUS Notes
8. Prepayments	15,929	13,522	37. Funded Debt-RTB Notes
9. Other Current Assets			38. Funded Debt-FFB Notes
10. Total Current Assets (1 Thru 9)	605,203	648,974	39. Funded Debt-Other
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt
a. Rural Development			42. Reacquired Debt
b. Nonrural Development			43. Obligations Under Capital Lease
12. Other Investments			44. Adv. From Affiliated Companies
a. Rural Development			45. Other Long-Term Debt
b. Nonrural Development	1,712	1,712	46. Total Long-Term Debt (36 thru 45)
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS
14. Other Noncurrent Assets			47. Other Long-Term Liabilities
15. Deferred Charges			48. Other Deferred Credits
16. Jurisdictional Differences			49. Other Jurisdictional Differences
17. Total Noncurrent Assets (11 thru 16)	1,712	1,712	50. Total Other Liabilities and Deferred Credits (47 thru 49)
PLANT, PROPERTY, AND EQUIPMENT			EQUITY
18. Telecom, Plant-in-Service	8,345,551	8,376,885	51. Cap. Stock Outstand. & Subscribed
19. Property Held for Future Use			52. Additional Paid-in-Capital
20. Plant Under Construction			53. Treasury Stock
21. Plant Adj., Nonop. Plant & Goodwill	687,550	687,550	54. Membership and Cap. Certificates
22. Less Accumulated Depreciation	4,831,924	5,259,173	55. Other Capital
23. Net Plant (18 thru 21 less 22)	4,201,177	3,805,262	56. Patronage Capital Credits
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins
			58. Total Equity (51 thru 57)
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)
	4,808,092	4,455,948	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION KS0562
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December, 2015
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	624,505	594,545
2. Network Access Services Revenues	1,395,589	1,631,695
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	11,475	9,414
5. Miscellaneous Revenues	11,235	11,057
6. Uncollectible Revenues	1,154	(197)
7. Net Operating Revenues (1 thru 5 less 6)	2,041,650	2,246,908
8. Plant Specific Operations Expense	465,311	544,891
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	18,553	23,055
10. Depreciation Expense	518,072	469,538
11. Amortization Expense		
12. Customer Operations Expense	59,639	38,323
13. Corporate Operations Expense	663,782	582,286
14. Total Operating Expenses (8 thru 13)	1,725,357	1,658,093
15. Operating Income or Margins (7 less 14)	316,293	588,815
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	56,215	56,062
20. Total Operating Taxes (17+18+19)	56,215	56,062
21. Net Operating Income or Margins (15+16-20)	260,078	532,753
22. Interest on Funded Debt	196,525	164,025
23. Interest Expense - Capital Leases		
24. Other Interest Expense	3	0
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	196,528	164,025
27. Nonoperating Net Income	2,261	3,065
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	32,636	30,818
31. Total Net Income or Margins (21+27+28+29+30-26)	98,447	402,611
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	678,250	659,744
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)	116,953	49,224
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	659,744	1,013,131
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	832,698	832,698
45. Cash Ratio [(14+20-10-11) / 7]	0.6189	0.5539
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9689	0.8359
47. TIER [(31+26) / 26]	1.5009	3.4546
48. DSCR [(31+26+10+11) / 44]	0.9764	1.2444

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

KS0562

PERIOD ENDED

December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Gorham	20.00	17.00	42	122	164	82.28	82.28
Waldo	20.00	17.00	10	46	56	62.46	62.46
Luray	28.75	17.80	31	89	120	67.18	67.18
Paradise	28.75	17.80	11	58	69	69.46	69.46
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			94	315	409	281.38	281.38
No. Exchanges	4						

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

KS0562

PERIOD ENDED

December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Gorham	164	100	75	1,500	512	37.93	Package	Fiber to the Home
Waldo	56	37	30	1,500	512	37.93	Package	Fiber to the Home
Luray	120	79	67	1,500	512	37.93	Package	Fiber to the Home
Paradise	69	46	38	1,500	512	37.93	Package	Fiber to the Home
Total	409	262						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION KS0562 PERIOD ENDING December, 2015		
INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
3	3	396	1.03	1.45	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 411778 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input type="checkbox"/> Average Schedule Intrastate: <input type="checkbox"/> Average Schedule </div> <div> <input checked="" type="checkbox"/> Cost Basis <input checked="" type="checkbox"/> Cost Basis </div> </div>			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)				73,622	
6. Salvaged Materials				34,000	
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)				107,622	
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION KS0562 <hr/> PERIOD ENDING December, 2015
---	---

PART H. CURRENT DEPRECIATION RATES	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	
<input checked="checked" type="checkbox"/> YES	<input type="checkbox"/> NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	26.27%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	23.98%
5. Land and support assets - Buildings	5.02%
6. Land and support assets - Furniture and Office equipment	15.57%
7. Land and support assets - General purpose computers	18.57%
8. Central Office Switching - Digital	11.58%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	16.00%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	16.00%
18. Cable and wire facilities - Poles	15.81%
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	5.38%
22. Cable and wire facilities - Underground cable - Fiber	5.38%
23. Cable and wire facilities - Buried cable - Metal	5.68%
24. Cable and wire facilities - Buried cable - Fiber	5.68%
25. Cable and wire facilities - Conduit systems	6.48%
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		KS0562	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2015	
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		295,578
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		402,611
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation		469,538
4.	Add: Amortization		0
5.	Other (Explain) See Audited Financial Statements		66,064
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable		(5,710)
7.	Decrease/(Increase) in Materials and Inventory		2,175
8.	Decrease/(Increase) in Prepayments and Deferred Charges		2,407
9.	Decrease/(Increase) in Other Current Assets		0
10.	Increase/(Decrease) in Accounts Payable		(54,316)
11.	Increase/(Decrease) in Advance Billings & Payments		331
12.	Increase/(Decrease) in Other Current Liabilities		(45,294)
13.	Net Cash Provided/(Used) by Operations		837,806
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		0
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		350
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(674,841)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		68,239
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20.	Less: Payment of Dividends		(49,224)
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain) See Audited Financial Statements		(68,239)
23.	Net Cash Provided/(Used) by Financing Activities		(723,715)
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		(31,334)
25.	Other Long-Term Investments		0
26.	Other Noncurrent Assets & Jurisdictional Differences		0
27.	Other (Explain) See Audited Financial Statements		(40,114)
28.	Net Cash Provided/(Used) by Investing Activities		(71,448)
29.	Net Increase/(Decrease) in Cash		42,643
30.	Ending Cash		338,221

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION KS0562
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION KS0562
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	